

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

UNITED STATES OF AMERICA .  
vs. . H-04-025SS  
. HOUSTON, TEXAS  
. JUNE 21, 2013  
. 1:32 P.M.  
JEFFREY K. SKILLING .  
. . . . .

TRANSCRIPT OF RE-SENTENCING  
BEFORE THE HONORABLE SIM LAKE  
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

FOR THE GOVERNMENT:

Patrick Stokes  
Robert Heberle  
Pamela J. Hicks  
US Department of Justice  
1400 New York Avenue, NW  
Washington, DC 20530

FOR THE DEFENDANT JEFFREY K. SKILLING:

Daniel M. Petrocelli  
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Proceedings recorded by mechanical stenography, transcript  
produced by computer-aided transcription.

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A P P E A R A N C E S: (Continued)

FOR THE DEFENDANT JEFFREY K. SKILLING: (Continued)

Ronald Gene Woods  
Attorney at Law  
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Suite 1000  
Houston, Texas 77007

OFFICIAL COURT REPORTER:

Cheryll K. Barron, CSR, CMR, FCRR  
U.S. Courthouse  
515 Rusk, Rm. 8016  
Houston, Texas 77002

ALSO PRESENT:

Chad Nunez

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P R O C E E D I N G S

THE COURT: Good afternoon. Please be seated.

Good afternoon, ladies and gentlemen. We're here this afternoon for resentencing of Mr. Jeffrey K. Skilling. This is Criminal Action H-04-25.

Before we proceed with Mr. Skilling's resentencing, I want to be sure that Mr. Skilling understands and agrees to all of the provisions of the sentencing agreement entered into by him, his attorneys, and the Department of Justice. The agreement is filed as part of Docket Entry Number 1316.

Mr. Skilling, would you please come forward with your attorney and would the Government's attorney please come forward and would all of you please identify yourselves?

THE DEFENDANT: I'm Jeff Skilling, your Honor.

MR. PETROCELLI: Good afternoon, your Honor. Daniel Petrocelli for Mr. Skilling, along with Matt Kline, David Marroso, Randy Oppenheimer, and Ron Woods.

MR. STOKES: Good afternoon, your Honor. Patrick Stokes for the United States. Along with me from the Department of Justice is Robert Heberle and Pamela Hicks and Special Agent Chad Nunez from the FBI.

THE COURT: Thank you. This agreement is somewhat out of the ordinary, so I'm going to assume for the purposes of the Rules of Criminal Procedure that it is subject to the same

01:33 1 requirements of a plea agreement, which means I must ask you a  
2 number of questions.

3 First of all, Mr. Skilling, have you read the  
4 agreement?

01:33 5 THE DEFENDANT: Yes, I have, your Honor.

6 THE COURT: All right. When did you first read it?

7 THE DEFENDANT: Boy, I can't say that my memory is as  
8 good as it used to be. Probably a month ago. I forget, your  
9 Honor.

01:34 10 THE COURT: Have you discussed the sentencing  
11 agreement with your attorney Mr. Petrocelli?

12 THE DEFENDANT: Yes, I have.

13 THE COURT: How much time have you spent discussing  
14 the agreement with your attorney?

01:34 15 THE DEFENDANT: Several hours.

16 THE COURT: Okay.

17 THE DEFENDANT: At least.

18 THE COURT: All right. Are you fully satisfied with  
19 the advice and counsel that Mr. Petrocelli has provided you?

01:34 20 THE DEFENDANT: Absolutely, your Honor, yes.

21 THE COURT: All right. In order to be sure that you  
22 understand and agree to all of the provisions of the sentencing  
23 agreement, I want to review some of the terms with you now  
24 again. So do you have a copy of the agreement before you?

01:34 25 MR. PETROCELLI: We do, your Honor.

01:34 1 THE COURT: If you will turn first to Paragraph 8 of  
2 the agreement, Paragraph 8 says, "For the reasons set forth  
3 below as 'Relevant Considerations,' the Government and the  
4 defendant agree to recommend jointly that the District Court  
01:35 5 apply a one-level downward variance and resentence the  
6 defendant using an adjusted offense level of 35, pursuant to  
7 United States Sentencing Guidelines. Given that the defendant  
8 is located in Criminal History Category I for resentencing  
9 purposes, the jointly recommended adjusted offense level will  
01:35 10 result in a jointly recommended guideline range of 168 to 210  
11 months of imprisonment."

12 What I want you to understand in particular about  
13 that provision is that, as a result of the ruling of the United  
14 States Court of Appeals for the Fifth Circuit in January of  
01:36 15 2009, your advisory guideline range, without giving effect to  
16 this agreement, would be 188 months to 235 months in prison.  
17 Do you understand that?

18 THE DEFENDANT: Yes, I do, your Honor.

19 THE COURT: Therefore, the effect of Paragraph 8 of  
01:36 20 the sentencing agreement is to recommend that your advisory  
21 guideline range be lowered by 20 months. Do you understand  
22 that?

23 THE DEFENDANT: Yes, I do.

24 THE COURT: All right. We'll continue with  
01:36 25 Paragraph 9 of the sentencing agreement.

01:36 1 "Neither the Government nor the defendant will  
2 seek any variance or departure from the jointly recommended  
3 guideline range. The Government may allocute at sentencing,  
4 but the Government will not take a position regarding the  
01:37 5 particular sentence the District Court should impose within the  
6 jointly recommended guideline range.

7 "The defendant agrees to waive all potential  
8 challenges to his convictions and sentence, including a motion  
9 for new trial pursuant to Federal Rule of Criminal Procedure  
01:37 10 33, appeals, and collateral attacks, except as set forth in  
11 Paragraph 11. For purposes of this provision, the defendant's  
12 sentence shall include any applicable orders of restitution or  
13 forfeiture."

14 MR. PETROCELLI: It says "and forfeiture."

01:37 15 THE COURT: "And forfeiture." Thank you.

16 "Neither the Government nor the defendant will  
17 appeal a sentence imposed within the jointly recommended  
18 guidelines range. However, the Government and the defendant  
19 each reserve the right to appeal a sentence imposed outside  
01:38 20 this range."

21 Paragraph 12, "Neither the Government nor the  
22 defendant will object to the incorporation in the defendant's  
23 criminal judgment at resentencing of the criminal monetary  
24 penalties established by the District Court in its Order of  
01:38 25 Forfeiture of October 23rd, 2006, and criminal judgment on

01:38 1 October 25, 2006. Neither the Government nor the defendant  
2 will otherwise object to the continuing validity of the  
3 Stipulated Forfeiture and Restitution Settlement Agreement  
4 approved on October 23rd, 2006."

01:38 5 Paragraph 13, "The Government agrees that it will  
6 not oppose the defendant's request at resentencing or otherwise  
7 that he receive credit for approximately six weeks of home  
8 confinement he served prior to reporting to the custody of the  
9 United States Bureau of Prisons."

01:39 10 And, finally, Paragraph 14, "The Government  
11 acknowledges that, pursuant to the applicable laws and  
12 regulations, it must defer to the United States Bureau of  
13 Prisons with regard to any future requests by the defendant to  
14 the Bureau of Prisons that:

01:39 15 (a) the defendant be entitled to participate in  
16 the Residential Drug Abuse Program; and

17 (b) the defendant not be classified as a 'broad  
18 publicity' inmate pursuant to 28 Code of Federal Regulations,  
19 Section 524.72."

01:39 20 Now, the matters discussed in Paragraphs 13 and  
21 14 of the sentencing agreement will be decided by the Bureau of  
22 Prisons.

23 Did you need to consult with Mr. Petrocelli?

24 THE DEFENDANT: For just one second, your Honor.  
01:40 25 Would that be okay?

01:40 1 THE COURT: Sure.

2 (*Mr. Petrocelli confers with the defendant*)

3 MR. PETROCELLI: Okay, your Honor.

4 THE COURT: You ready to proceed?

01:40 5 THE DEFENDANT: Yes. Thank you.

6 THE COURT: The matters that are covered in Paragraphs  
7 13 and 14 will be decided by the Bureau of Prisons. But what I  
8 want you to understand in particular is that the sentencing  
9 agreement, and Section 10 in particular, provides that if the  
01:40 10 Court sentences you to a term of imprisonment of 210 months or  
11 less you will forever waive and give up any right to challenge  
12 your conviction or sentence by any means, for any reason. Do  
13 you understand that?

14 THE DEFENDANT: Yes, your Honor, I do.

01:40 15 THE COURT: Now, other than what is stated in the  
16 sentencing agreement, has the United States Government made any  
17 promises to you in connection with your resentencing?

18 THE DEFENDANT: No, your Honor, they have not.

19 THE COURT: Has anyone threatened you or forced you to  
01:41 20 enter into the sentencing agreement?

21 THE DEFENDANT: No, your Honor.

22 THE COURT: Well, you paused there. Is there some  
23 need to talk to Mr. Petrocelli?

24 THE DEFENDANT: No. No, your Honor.

01:41 25 THE COURT: All right.



01:41 1 THE DEFENDANT: Just a little slower than I used to  
2 be.

3 THE COURT: I realize this is an anxious event for  
4 everyone. We have plenty of time. So if you need to stop and  
01:41 5 talk to Mr. Petrocelli, please feel free to do so.

6 THE DEFENDANT: Thank you, your Honor.

7 THE COURT: Finally, other than what is stated in the  
8 sentencing agreement, has anyone promised you what sentence you  
9 will receive today?

01:41 10 THE DEFENDANT: No, they have not.

11 THE COURT: All right. I have carefully considered  
12 the sentencing agreement and the reasons that underlie it, and  
13 I accept the sentencing agreement.

14 Now, the next matter is the third addendum to the  
01:41 15 presentence report. Mr. Skilling, have you read the third  
16 addendum to the presentence report?

17 THE DEFENDANT: No, I have not, your Honor.

18 MR. PETROCELLI: Can we have a copy of that?

19 *(Mr. Petrocelli and the defendant confer)*

01:42 20 THE DEFENDANT: Yes, your Honor, I've reviewed that in  
21 the past, as well.

22 THE COURT: All right. Have you discussed it with  
23 your attorney?

24 THE DEFENDANT: Yes, I have.

01:42 25 THE COURT: Your attorney has not filed any objections

01:42 1 to the third addendum. Mr. Petrocelli, do you have any  
2 objections to it?

3 MR. PETROCELLI: We do not.

4 THE COURT: Mr. Skilling, do you have any objections  
01:43 5 to the third addendum?

6 THE DEFENDANT: No, I do not.

7 THE COURT: All right. The Court adopts the third  
8 addendum to the presentence report.

9 In accordance with the third addendum, I find  
01:43 10 that your total offense level is 36, your criminal history  
11 category is one, and your advisory guideline range is 188 to  
12 235 months in prison.

13 However, pursuant to the one-level downward  
14 variance recommended in the sentencing agreement, the agreed  
01:43 15 upon guideline range is 168 to 210 months in prison.

16 The Court has read the victim statements that  
17 were submitted to the Government and to the Court and the more  
18 than 200 letters submitted on behalf of Mr. Skilling. The  
19 Court has also read defendant's motion for judicial  
01:44 20 recommendations regarding prison designation and participation  
21 in the residential drug and alcohol program, which is Docket  
22 Entry 1331; and Jeffrey Skilling's resentencing memorandum,  
23 which is Docket Entry 1329; and the United States' memorandum  
24 in aid of sentencing, which is Docket Entry 1334.

01:44 25 I would like to compliment both the Government

01:44 1 and the defense. The memorandum were thorough, fair, and  
2 persuasive.

3 MR. PETROCELLI: Thank you, your Honor.

4 THE COURT: Mr. Skilling, you may now make a statement  
01:44 5 and present any information in mitigation. Then I will allow  
6 any victims to speak and the Government's attorney may speak  
7 and your lawyer may speak.

8 I remind the attorneys again I've read carefully  
9 the written presentations.

01:44 10 You may now proceed, sir.

11 THE DEFENDANT: Your Honor, I drafted a statement to  
12 the Court, which I am sure you have read. And I think it  
13 probably reflects best statements or comments that I could make  
14 to the Court. And so I really don't have anything else to say,  
01:45 15 your Honor.

16 THE COURT: I did read it. And I read your wife's  
17 statement and all the other statements. I particularly found  
18 the statement of former inmate Richard Wilson as very  
19 informative.

01:45 20 THE DEFENDANT: Thank you, your Honor.

21 THE COURT: You've made a positive impact on his life  
22 and the lives of many other people while you've been confined,  
23 and I applaud you for that effort.

24 MR. PETROCELLI: Shall we be seated, your Honor?

01:45 25 THE COURT: No -- you may, yes, of course.

01:45 1 The Court's order of May 8th, 2013, required that  
2 all victims must notify the Court by June 7, 2013, if they wish  
3 to be heard today. Only one victim, Ms. Diana Peters, has  
4 notified the Court that she wishes to be heard today.

01:46 5 Ms. Peters are you present?

6 MS. PETERS: Yes.

7 THE COURT: Would you like to come forward to the  
8 microphone, please, so we can hear you better?

9 MS. PETERS: (Complies).

01:46 10 THE COURT: Please identify yourself, and then you may  
11 proceed.

12 MS. PETERS: Thank you. My name is Diana Peters, and  
13 I worked at Enron. I wanted to say thank you for letting me  
14 speak today.

01:46 15 Your Honor, I'm here speaking for the employees  
16 of Enron that cannot be here to speak for themselves. These  
17 employees came to work every day and gave 110 percent of their  
18 lives to Enron. They took pride in going out into the  
19 community, representing Enron and giving to Habitat for  
01:46 20 Humanity, the Star of Hope, and supporting the new stadium with  
21 the Enron name on it. These employees gave their hard work,  
22 vibrant spirit, loyalty and trust to Jeff Skilling and the  
23 other VP's within the company to build up the company they were  
24 so proud to be a part of.

01:47 25 Jeff Skilling betrayed that trust to those

01:47 1 employees and played a part in the financial collapse of an  
2 amazing company.

3 Bill Peterson worked for the company's Lotus  
4 Notes group. He was admitted to MD Anderson for cancer  
01:47 5 treatment. When Enron filed bankruptcy, the company contacted  
6 him, while he was in the hospital, to let him know he was laid  
7 off. His wife sold their cars, their homes and moved in with a  
8 sister in order to pay the COBRA insurance that Bill needed for  
9 his care. Bill died in a borrowed bed.

01:47 10 Charles Prestwood worked at a plant, that Enron  
11 obtained, for 40 years. He retired and went home to work on  
12 his farm. Because his retirement was in Enron, he had to sell  
13 a portion of his farm and his house was all he had left. His  
14 legacy did not go on.

01:48 15 Sue Glenn worked as a clerk at Enron, raised her  
16 kids. In just a few years, she would have her house paid off  
17 to enjoy her retirement. She had to sell that home. She had  
18 to move in with her daughter, and she had a heart attack from  
19 the stress and died.

01:48 20 Your Honor, this is just some of the employees  
21 that have suffered from the Jeff Skilling criminal action.  
22 Your Honor, I pray that your decision to give Jeff Skilling the  
23 maximum for the sentence of his crimes. And I thank you for  
24 your time.

01:48 25 THE COURT: You're welcome. And thank you for being

01:48 1 here today.

2 The Court's records do not indicate any other  
3 potential victim notified the Court of an intent to speak today  
4 but if anybody thinks they did provide proper notice and wishes  
01:49 5 to speak, they may come forward and identify yourself and  
6 explain what notice you gave.

7 MR. TYCHON: I'm Stephan Tychon. I filed two requests  
8 by certified mail from --

9 THE COURT: Didn't I forbid you from speaking back in  
01:49 10 2006?

11 MR. TYCHON: Yes. But I -- you asked me if I notified  
12 the Court, and this time I did.

13 THE COURT: Okay. Are you a -- did you ever work for  
14 Enron?

01:49 15 MR. TYCHON: I explained in my letter that Enron did  
16 business with Bechtel and Bechtel -- Enron Bechtel --

17 THE COURT: Your father worked for Bechtel years ago.  
18 Is that correct?

19 MR. TYCHON: My father was first president of the  
01:49 20 world's biggest public private partnership, which is Exxon,  
21 Shell, and Dutch Government.

22 THE COURT: Well, as I explained to you in 2006,  
23 you're not a victim. And under the Victims' Rights Act, you  
24 have no right to speak today.

01:50 25 MR. TYCHON: Well, I think I am a victim.

01:50 1 THE COURT: Well, as between the two of us, it's my  
2 decision; and I say you're not. So have a seat.

3 All right. The Government may now make any  
4 additional arguments it wishes to make.

01:50 5 MR. STOKES: Thank you, your Honor. Your Honor, we  
6 are at the end --

7 THE COURT: Can the audience hear the Government?

8 You may want to speak loudly enough so you can  
9 be heard.

01:50 10 MR. STOKES: Sorry, your Honor.

11 Your Honor, we are at the end of a very long  
12 road, the road that this Court has been on certainly far longer  
13 than I have. And as the Court very well explained, the  
14 sentencing agreement really helps bring this to an end and has  
01:51 15 resolved a number of the outstanding issues that helps us bring  
16 finality to this case.

17 And we appreciate the Court clarifying what the  
18 sentencing agreement said. And if I may just briefly dwell on  
19 it, there's been a fair amount of confusion, I believe, as to  
01:51 20 what that sentencing agreement said. And I think it's  
21 important for the victims, certainly, to understand what that  
22 agreement did and did not do. And, certainly, what it did not  
23 do and the department did not do is agree to enter into an  
24 agreement --

01:51 25 THE COURT: Can everybody hear him?

01:51 1                   Why don't you -- you won't offend me if you are  
2                   seated when you make your presentation. That way, you could  
3                   use the microphone.

4                   MR. STOKES: Absolutely, your Honor.

01:51 5                   THE COURT: It's a large courtroom. Sometimes our  
6                   voice doesn't carry very well.

7                   MR. STOKES: Your Honor, with regards to the  
8                   sentencing agreement, the -- we appreciate the Court clarifying  
9                   what the agreement actually said. There's been a fair amount  
01:51 10                  of confusion about this. And the Government thinks -- the  
11                  Department thinks it's important for the victims to understand  
12                  what the agreement actually did do and what it didn't do.

13                  Some of that confusion has been that the  
14                  Government and the defense entered into an agreement to reduce  
01:52 15                  Mr. Skilling's sentence by 10 years, and that's certainly not  
16                  something the Department has agreed to and wouldn't agree to  
17                  and wouldn't bring an agreement of that nature to the Court.

18                  As the Court perfectly explained, we are starting  
19                  from a place after the Fifth Circuit, the Court of Appeals,  
01:52 20                  reversed the sentence and reduced it by between eight and a  
21                  half and 11 years. And our agreement provides a one-level  
22                  variance, which is in counterpoint to the Fifth Circuit's  
23                  four-level reduction. The sentence we recommended is within  
24                  the guidelines range of 168 to 210 months, which overlaps with  
01:52 25                  the range that would be established by the Fifth Circuit. This



01:52 1 agreement ends the litigation. It brings finality. And  
2 importantly, it allows for us to distribute forfeited funds to  
3 the victims of Mr. Skilling's crimes, upwards of \$40 million,  
4 to the victims of Mr. Skilling's crimes and to thereby pay  
01:53 5 restitution owed by him.

6 The Court is certainly well aware of the record  
7 here, and I don't want to dwell on the facts. But Congress has  
8 mandated that the Government and certainly the Courts consider  
9 a number of factors, the 3553(a) factors, in determining an  
01:53 10 appropriate sentence. And we believe that, taken as a whole,  
11 the -- these factors and the evidence supports sentencing  
12 within this range.

13 In our sentencing agreement, we reserved the  
14 right to allocute in order to facilitate the Court in  
01:53 15 determining an appropriate sentence in determining -- taking  
16 the measure of the whole man, of Mr. Skilling, and coming up  
17 with the appropriate sentence. And under the agreement, we  
18 think that -- we take no position as to what specific sentence  
19 within that range we would recommend. Simply, we are  
01:54 20 recommending a sentence within that range.

21 In reaching our determination and in coming to  
22 the conclusion that a sentence of 168 to 210 months was  
23 appropriate, we considered, first and foremost, the need to pay  
24 restitution. This litigation has gone on for years.  
01:54 25 Mr. Skilling was convicted more than 10 years ago -- I'm sorry.

01:54 1 These crimes took place more than 10 years ago. He was  
2 convicted more than six years ago. And due to the lengthy  
3 litigation, a substantial amount of forfeited funds from him,  
4 more than \$41 million worth, have been tied up and we've been  
01:54 5 unable to distribute those.

6 And as a result of this agreement, we're now able  
7 to promptly cause the distribution of them. And this will  
8 complete the process of stripping Mr. Skilling of his  
9 ill-gotten gains and ensuring that those gains are distributed  
01:54 10 back to the victims of his crimes. In total, once these funds  
11 are -- the final order of forfeiture is signed and these funds  
12 are released, the Government will have forfeited over a hundred  
13 million dollars from the perpetrators of the fraud schemes at  
14 Enron and distributed those to the victims of these crimes. In  
01:55 15 total, the Government will have distributed more than  
16 \$560 million, both from the SEC and the Department of Justice,  
17 to the victims.

18 Your Honor, we also believe that the Level 35  
19 that we've recommended, 168 to 210 months, appropriately  
01:55 20 accounts for the conduct that's we have. The Court sat through  
21 a four-month trial and knows the facts far better than I. But  
22 what I would say, your Honor, is that what was true then is  
23 true now. The Enron crimes, Mr. Skilling's crimes, are some of  
24 the largest -- represent some of the largest and most  
01:56 25 significant corporate frauds ever tried, ever discovered, and

01:56 1 ever brought to a conviction in this country.

2 Mr. Skilling was not only at the pinnacle of  
3 Enron, but he was at the pinnacle of these fraud schemes. He  
4 lied to employees, he lied to shareholders, he lied to  
01:56 5 auditors, he lied to the investing public, and he lied to the  
6 SEC in order to advance his and Enron's cause. And that was --  
7 they did this by essentially accounting hocus pocus. They hid  
8 losses. They created phantom earnings. They sought to give  
9 the false appearance that Enron was either meeting or  
01:56 10 outperforming targets that they had set, in order to meet Wall  
11 Street's expectations.

12 But the reality was that Enron was faltering,  
13 that key business lines were losing hundreds of millions of  
14 dollars, that billions of dollars in assets were overvalued on  
01:57 15 Enron's books. Despite having this information at his -- in  
16 his head, at his ready, Mr. Skilling, after retiring from the  
17 company in August of 2001, stepping down as CEO and leaving the  
18 company, shortly thereafter, in September of 2001, took  
19 advantage of his insider knowledge. He sold over 500,000  
01:57 20 shares of his Enron stock and made more than \$15.5 million from  
21 it.

22 He subsequently was questioned by the SEC about  
23 this and lied, in testimony to the SEC, about his reasons for  
24 doing so. And the Court found as much, as well. Mr. Skilling  
01:57 25 was also convicted of insider trading in connection with that.

01:57 1 And, certainly, the other shareholders, the employees of Enron,  
2 those who didn't have this inside information weren't to lucky  
3 and would have liked to have had the information Mr. Skilling  
4 had and knew, about where Enron actually stood, what it's true  
01:58 5 financial condition was.

6 Now, your Honor, I certainly don't mean to paint  
7 that Enron was a fraudulent business. It is certainly true  
8 that Mr. Skilling, with the assistance of others, bilked one of  
9 the largest companies in the country. It was cutting edge. It  
01:58 10 was innovative. It was widely respected throughout the world.

11 And I want to make this point, as well, just as  
12 Ms. Peters did, that the vast majority of Enron's 20,000  
13 employees were incredibly talented, incredibly hard working,  
14 incredibly dedicated to Enron. However, the rottenness of  
01:58 15 Enron was at its top, the tone at the top. Mr. Skilling, along  
16 with others, pushed an agenda of paper profits over real  
17 profits, of manipulating financial numbers in order to meet  
18 Wall Street expectations.

19 They allowed sound business judgment and sound  
01:59 20 business ethics to give way to expediency and greed. A number  
21 of straw man arguments have been made over the course of this  
22 case. The Government has never sought to prove that  
23 Mr. Skilling set out to bankrupt Enron or that any of the  
24 individuals convicted in connection with the Enron crimes set  
01:59 25 out to bankrupt the company. We've never sought to prove that

01:59 1 Mr. Skilling sought to line his pockets.

2 Like many other white collar criminals,  
3 Mr. Skilling, we believe, believed that he could turn things  
4 around, that he could fix the problems at Enron, the accounting  
01:59 5 problems, the financial problems at Enron and move on from  
6 this. But as often happens, when his lies unraveled, when the  
7 accounting fraud unraveled, when Enron unraveled, all of it  
8 came tumbling down. And thousands of employees were left  
9 without jobs, without pensions, some without life savings,  
02:00 10 shareholders wiped out. And Mr. Skilling, through it all,  
11 profited tremendously from his sale of his own shares before  
12 others were aware.

13 Your Honor, we also think Level 35, the 168 to  
14 210 months, appropriately accounts for Mr. Skilling's, his own  
02:00 15 history and his character. He's had a remarkable -- he had a  
16 remarkable climb through corporate America, both at McKinsey  
17 and at Enron, at the very top of Enron. He -- we certainly  
18 acknowledge that he engaged in a number of philanthropic acts,  
19 certainly in part as a result of the lofty position he achieved  
02:01 20 and the tremendous wealth that he attained. Nonetheless, he  
21 certainly gave back to the community, to friends, family, and  
22 others that he didn't know. And that's something to be lauded.

23 He had a tremendous work ethic; by all accounts,  
24 is very talented. He was given advantages that few ever even  
02:01 25 understand let alone have in this world. And that's where the

02:01 1 contradiction arises, contradictions that mar his history. He  
2 used those talents, starting in 1999, to lie and cheat.  
3 Mr. Skilling -- it appears Mr. Skilling and others at Enron  
4 thought they were above the rules, above the law. Why they did  
02:01 5 it, we never had to prove. We don't really know. Was it to  
6 stay on top? Was it to climb higher in the stratosphere? Was  
7 it a misguided effort to help Enron? We just don't know.

8 But that doesn't change the fact that he  
9 knowingly used lies to hide from the public and his employees  
02:02 10 what was actually happening at Enron. These types of  
11 advantages that Mr. Skilling has enjoyed in his history are the  
12 types of advantages that usually are taken into account at a  
13 sentencing and are considered to make one more culpable that  
14 don't have those advantages, that don't start from such a lofty  
02:02 15 perch.

16 However, we certainly recognize that  
17 post-incarceration, post-conviction, Mr. Skilling has both  
18 suffered tremendous tragedy while he's been in prison for his  
19 crimes, through the loss of his son and his parents. And  
02:02 20 there's simply nothing that can be said about that. It's a  
21 tragedy. He's also used his talents in prison. We've seen the  
22 letters and we've read them and we think it's commendable and  
23 he should be -- he should be commended for that.  
24 Rehabilitation is reflected in his efforts to work with other  
02:03 25 prisoners and to assist other prisoners and help them better

02:03 1 themselves as well as helping to better Mr. Skilling himself.

2 And yet, your Honor, we have to return to a key  
3 aspect of rehabilitation, which is expressing remorse for his  
4 own activities. The Government is simply not aware of a single  
02:03 5 instance in the 10 years since he's committed these crimes, in  
6 the six years since his conviction, in which he's acknowledged  
7 his role, acknowledged remorse for his actions in the crimes  
8 that have caused so much harm to thousands. The litigation is  
9 now complete here. Mr. Skilling, nonetheless, continues to  
02:03 10 cast himself as a victim. And we would just like to make clear  
11 that, from the Government's perspective, Mr. Skilling is  
12 anything but a victim.

13 He was at the center of the conspiracies that  
14 were brought before this Court. And it was his role in that  
02:04 15 that has led to his separation from his friends, from his  
16 family, and from the wider community. We would also point out  
17 that the Fifth Circuit itself in 2011 made clear on numerous  
18 occasions, in it's review of Mr. Skilling's case, that the  
19 evidence of his guilt was overwhelming.

02:04 20 Your Honor, we also were -- we certainly know the  
21 Court recognizes deterrence, general deterrence, is an  
22 important aspect of sentencing, particularly in corporate  
23 crimes and white-collar crimes. These cases are difficult to  
24 detect, incredibly difficult to investigate and to prosecute.  
02:04 25 A sentence within the Level 35 guidelines range, 168 to 210

0 2 : 0 4 1 months, we think, will send a strong message that corporate  
2 criminals and corporate crime will be punished harshly, and  
3 that's the right message to send.

4 Last, your Honor, I want to turn to the victims  
0 2 : 0 5 5 in this case and talk a moment about them. Ms. Peters'  
6 eloquent words certainly captured what many victims have  
7 expressed to us, have expressed to the Court, and many who are  
8 not able to be here today. Victims have suffered immeasurably.  
9 Sure, jobs have been lost, money, financial security, in some  
0 2 : 0 5 10 cases life savings have been lost. Shareholders have been  
11 affected. Small businesses, large businesses have been  
12 devastated. The Houston community after the fall of Enron  
13 suffered tremendously.

14 But those sorts of harms we may be able to  
0 2 : 0 5 15 measure economically. It's the many non economic harms that  
16 we've read about in victim letters, for example, that, I think  
17 it's important for the Court to remember. Victims have talked  
18 about having lost trust, having become deeply cynical about the  
19 marketplace, about our economic system, about business leaders,  
0 2 : 0 6 20 about corporate America as a result of the Enron crimes, as a  
21 result of Mr. Skilling's actions. People have written  
22 eloquently of physical ailments and emotional scars that have  
23 lasted years, as a result of these crimes.

24 Now, the reality is that no prison term, no  
0 2 : 0 6 25 prison sentence in this case is ever going to bring back



0 2 : 0 6 1 anything that these -- these harms that these victims suffered  
2 and that the defendant caused for them. But we do believe that  
3 a sentence within the 168 and 210 month range will be a  
4 significant sentence that is both necessary and appropriate in  
0 2 : 0 7 5 light of the harms that Mr. Skilling has brought down upon  
6 thousands in this community. And we would ask the Court to  
7 impose a sentence in that range.

8 THE COURT: Thank you.

9 Mr. Petrocelli?

0 2 : 0 7 10 MR. PETROCELLI: Thank you, Mr. Stokes.

11 Your Honor, I think you can appreciate from my  
12 long history in this case that there's much about the  
13 Government's allocution with which I disagree; but I need not  
14 take issue today and I need not quarrel today. Because even  
0 2 : 0 7 15 accepting everything the Government has said in its allocution  
16 and in its sentencing memo, it is the Government's position  
17 that that is fully consistent with a sentence within the Level  
18 35 range, which includes 168 months.

19 The Government is not making an argument in its  
0 2 : 0 8 20 allocution that 168 months is not an appropriate sentence. To  
21 the contrary, the Government specifically agreed that any  
22 sentence within Level 35, which includes 168 months, is an  
23 appropriate sentence. And the Court correctly pointed out at  
24 the outset that, even without the sentencing agreement, based  
0 2 : 0 8 25 on the Fifth Circuit's initial decision, we would be at Level

02:08 1 36.

2 And when the Court initially sentenced  
3 Mr. Skilling back in -- I think it was October 23rd, 2006 --  
4 the Court applied the low end of the guideline, which called  
02:08 5 for a sentence of 292 months. So were we here without a  
6 sentencing agreement and were the Court to apply the low end of  
7 the guideline, we would be looking at Level 36. Low end is 188  
8 months.

9 So with this agreement the low end takes us to a  
02:09 10 modest reduction of 20 months, to 168 months, which I submit is  
11 the appropriate sentence in light of all the circumstances.  
12 And we've gone through the Section 3553(a) factors in detail in  
13 the sentencing memo and -- having learned long ago, I know your  
14 Honor reads everything and remembers everything. So I'm not  
02:09 15 going to repeat what we said in the sentencing memo. I just  
16 want to call out a few things if I may.

17 For that modest 20-month reduction, as the  
18 sentencing agreement indicates, Mr. Skilling would agree to  
19 waive valuable ongoing litigation rights. Your Honor knows  
02:10 20 that we have been valiantly fighting every step of the way, all  
21 the way up to the Supreme Court and back, a couple of trips to  
22 the Fifth Circuit, and we had plenty of work still to do before  
23 your Honor, including a Rule 33 motion for a new trial,  
24 including a contested sentencing hearing in which the loss  
02:10 25 calculation would have to be fought from scratch given the

02:10 1 elimination of the honest-service theory by the Supreme Court.

2 We had further appeals from those issues. We had  
3 fights about restitution issues and, then, 2255, perhaps, as  
4 well. So there were lots of litigation work and rights that  
02:10 5 remained. And Mr. Skilling has been willing to surrender those  
6 rights in order to obtain the modest 20-month reduction of a  
7 168 months' sentence, your Honor.

8 In addition, Mr. Skilling has forfeited virtually  
9 all property and assets that he has, which amounts to  
02:11 10 approximately \$41.8 million. And after your Honor decides the  
11 sentence, we do have to come back to the amount, because the  
12 judgment was estimated back in 2006 at 45 million because  
13 various properties had not liquidated. They've now liquidated,  
14 and that amount is actually 41.8 million, approximately. And  
02:11 15 we can give you the exact breakdown of that.

16 Mr. Skilling is willing to forego any further  
17 challenges to the \$41 million, and that money would be made  
18 immediately available to the victims. As I understand, it  
19 would be administered through the fund that Judge Harmon has  
02:11 20 set up, your Honor, which has other proceeds having to do with  
21 the Enron cases.

22 I don't need to talk to you about Jeff's conduct  
23 before and during the events in question. We went over that in  
24 exhaustive detail the first time around in 2006. And I recall,  
02:12 25 your Honor, that, on the record before you gave out the

0 2 : 1 2 1 sentence in 2006, you, yourself, noted the good works that  
2 Mr. Skilling had done leading up to the events in question, the  
3 exhaustive charitable work, helping friends, and doing it all  
4 without any need or desire for public recognition, just to help  
0 2 : 1 2 5 people, something that he has carried through throughout his  
6 life and during his lengthy stay in prison so far.

7           You talked about his early success at Enron,  
8 building up this great company before the events in question,  
9 and the love of his family. And, of course, all that remains  
0 2 : 1 3 10 perhaps even more true today. As far as the conduct of  
11 Mr. Skilling during the events of the trial and the events of  
12 the collapse of Enron, I have no desire to go over all that  
13 again.

14           I just want to point out, your Honor, that the  
0 2 : 1 3 15 record was quite clear, perhaps undisputed, that Mr. Skilling  
16 never once sought to loot the company, to steal money, to line  
17 his pockets with secret deals. He did not -- he turned down  
18 tens of millions of dollars of compensation increases. He --  
19 when the company was collapsing, he offered to give back  
0 2 : 1 3 20 virtually all of his property and money in order to help save  
21 the company.

22           And by the end of the trial, the Government,  
23 itself, told the jury that Mr. Skilling was not motivated by  
24 greed. And I do think that makes a qualitative difference in  
0 2 : 1 4 25 determining the appropriate sentence, your Honor, compared to

0 2 : 1 4 1 those convicted defendants who were trying to steal money, hide  
2 money, the kinds of things, for instance, that Andrew Fastow  
3 did.

4 And on that point, your Honor -- I made these  
0 2 : 1 4 5 arguments to you before, so I'm not going to repeat them, the  
6 issue of unwarranted disparities. Mr. Fastow was supposed to  
7 receive a sentence of 10 years; and, because of his  
8 cooperation, he got six years. So without regard to any  
9 cooperation, he should have served 10 years. A sentence of 168  
0 2 : 1 4 10 months is 14 years. It's four years higher than Mr. Fastow,  
11 who, by far, by anybody's account, including the one juror who  
12 wrote in to your Honor, was the most culpable person on the  
13 entire Enron story. And he received six years and, without any  
14 cooperation, would have received 10 years.

0 2 : 1 5 15 And I also pointed out that Mr. Causey, who ended  
16 up getting five and a half years, based on his cooperation, but  
17 under his agreement he didn't have to cooperate. And without  
18 any cooperation, he would have received seven years. And he  
19 was indicted in virtually the same case as Mr. Skilling and  
0 2 : 1 5 20 virtually the same allegations. And so I think that 14 years  
21 is vastly higher than any other Enron defendant and more than  
22 meets all the objectives of Section 3553.

23 And in particular, your Honor, I want to say few  
24 words about post-incarceration factors and the  
0 2 : 1 6 25 post-incarceration conduct. Mr. Skilling reported to prison on

0 2 : 1 6 1 December 13, 2006. He's been there some 78 months now. He  
2 served almost two months of home confinement with the  
3 electronic monitoring before he served. And we were going to  
4 ask you Honor have your judgment acknowledge the credit he  
0 2 : 1 6 5 should receive for his home confinement.

6 THE COURT: As I mentioned to you, Mr. Skilling,  
7 that's really an issue for the Bureau of Prisons.

8 I'm not going to reduce his sentence because of  
9 that. He can pursue his prison remedies to seek a credit if he  
0 2 : 1 6 10 wishes.

11 MR. PETROCELLI: Okay. And since the time that he has  
12 been incarcerated, your Honor, he has, from day one, tried to  
13 be a productive, constructive, positive inmate. He noticed for  
14 example that there was -- there were language barriers between  
0 2 : 1 7 15 Spanish-speaking inmates and English-speaking inmates. And so  
16 he decided to teach Spanish speaking -- he decided to teach the  
17 English-speaking inmates Spanish. The only problem is  
18 Mr. Skilling did not speak Spanish. So what he did is he  
19 learned Spanish while he taught the inmates, and he's been  
0 2 : 1 7 20 teaching Spanish throughout.

21 He's been helping inmates with their English,  
22 helping them write letters. He helped head up a job fair or a  
23 work fair program in the prison, where people who were about to  
24 be released and would be looking for gainful employment, would  
0 2 : 1 7 25 need to present résumés, and he helped to explain to them and

0 2 : 1 7 1 teach them how to do that. And he, as we pointed out in our  
2 sentencing memo, does all of this without trying to get any  
3 recognition from anybody and, frankly, without anybody really  
4 knowing.

0 2 : 1 8 5 The example of the blind man, who's the inmate  
6 that serves with Mr. Skilling. And Mr. Skilling offered to  
7 read him the newspaper. And so every day, he takes this blind  
8 man and they go to a different place, where nobody can see  
9 them, and the man is not embarrassed -- and Mr. Skilling is not  
0 2 : 1 8 10 trying to earn brownie points -- and he reads him the  
11 newspaper.

12 He -- he has attended all kinds of courses. He's  
13 attended business courses. And it caused one of the professors  
14 at the local college to remark, you know, "I can't teach you  
0 2 : 1 8 15 anything. You ought to be teaching the students business."  
16 And we all know how much Mr. Skilling loves business. So he,  
17 too, has been teaching business. And, you know, we visit him  
18 often, and we talk to him often. And I am amazed at the  
19 remarkable strength, endurance, courage, and character of this  
0 2 : 1 9 20 person.

21 And he has lost his mother, he has lost his  
22 father, and he has lost his 20-year-old son and he could not  
23 even attend his funeral. And I just cannot imagine the  
24 punishment and the pain that he will forever have to experience  
0 2 : 1 9 25 of being in a lonely cell while his son was being buried.

0 2 : 1 9 1 And I think it was unfair for the Government to  
2 say he is not ever expressed remorse. I don't quite know what  
3 they mean by that. But if you go back to the October 23, 2006,  
4 transcript, at Page 13 -- Mr. Stokes of course, was not here,  
0 2 : 1 9 5 so perhaps he hadn't read that. But Mr. Skilling talked about  
6 the remorse that he felt. He said, "I can't imagine more  
7 remorse. I have friends who have died, good men." And the  
8 collapse of Enron will forever, ever haunt him and damn him;  
9 and he has to live with that the rest of his life, and all the  
0 2 : 2 0 10 people he let down, your Honor.

11 He loved the company and he saw it fail and it  
12 was a failure of enormous proportions. He loved the people who  
13 worked there. He didn't want to hurt them. He loved the  
14 community that he lived in. He loves Houston. He loves his  
0 2 : 2 0 15 family. His two children need him more than ever. His wife  
16 needs him more than ever. And he wants to come home. He wants  
17 to come home here.

18 And if he's given a sentence of 168 months, which  
19 is 14 years, he still has quite a ways to go, your Honor. But  
0 2 : 2 0 20 we will be there. We will greet him and we will come home with  
21 him and he will have at least an opportunity to have the last  
22 part of his life so that he can play a meaningful role again, a  
23 meaningful role in society, meaningful role in this community,  
24 to be a productive, positive force the way he was before and  
0 2 : 2 1 25 the way he has been since his incarceration.



0 2 : 2 1 1 And you have read the letters about people who  
2 just are amazed, people, the inmates. We had what? Some 15  
3 letters from inmates. We have over a hundred letters from this  
4 year alone, for this sentencing hearing alone, from people all  
0 2 : 2 1 5 over, including almost 40 from former Enron employees, people  
6 who didn't even know Mr. Skilling, who didn't work for  
7 Mr. Skilling, who talked about how much he can contribute to  
8 society.

9 And I just ask your Honor that you give him that  
0 2 : 2 1 10 opportunity, to be a productive person again in this community.  
11 And with that, your Honor, I will sit down.

12 THE COURT: Thank you. Mr. Petrocelli, this may be  
13 your last appearance before me. So I want to say you've done  
14 an excellent job over these years representing your client.  
0 2 : 2 2 15 You're a credit to the bar, and I hope Mr. Skilling appreciates  
16 the fine work that you and the other attorneys with your firm  
17 have done for him these many years.

18 MR. PETROCELLI: Thank you.

19 THE COURT: Because the Court certainly acknowledges  
0 2 : 2 2 20 it.

21 MR. PETROCELLI: Thank you.

22 THE COURT: This is not an easy decision. Sentencing  
23 is the most difficult part of my job and certainly the least  
24 pleasant part of my job.

0 2 : 2 2 25 As both counsel have stated, Mr. Skilling has a

0 2 : 2 2 1 family and many friends who support him. It is true that he  
2 has contributed to the early growth and success of Enron and  
3 that he has helped many people through charitable contributions  
4 and other good works and, more recently, by helping other  
0 2 : 2 3 5 prison inmates.

6 The advisory guideline range of 168 to 210 months  
7 envisions a long period of imprisonment because the sentencing  
8 commission and Congress have determined that crimes of this  
9 magnitude deserve significant punishment. The evidence at  
0 2 : 2 3 10 trial established that Mr. Skilling repeatedly lied to  
11 investors, including Enron's own employees, about various  
12 aspects of Enron's business, and that Mr. Skilling illegally  
13 sold a large amount of his own Enron stock based on inside  
14 information before Enron collapsed.

0 2 : 2 3 15 Title 18 of United States Code, Section 3553,  
16 sets forth a number of factors in addition to a defendant's  
17 advisory guideline range that Congress instructs Courts to  
18 consider in determining a sentence. In this case, the two most  
19 significant factors are the need for the sentence to deter  
0 2 : 2 4 20 others from committing similar crimes and the need for the  
21 sentence to reflect the seriousness of the offense, to promote  
22 respect for the law, and to provide just punishment for the  
23 offense.

24 Having carefully considered all of the  
0 2 : 2 4 25 information and arguments presented to the Court and based on

0 2 : 2 4 1 the Court's familiarity with the facts of this case, the Court  
2 concludes that a sentence of 14 years, or 168 months, in prison  
3 adequately addresses all of the relevant sentencing factors.  
4 The Court is not persuaded that a longer sentence is necessary  
0 2 : 2 5 5 either to provide additional deterrence or to satisfy any other  
6 sentencing factors.

7 Mr. Skilling, would you please stand?

8 THE DEFENDANT: (Complies).

9 THE COURT: Pursuant to the Sentencing Reform Act of  
0 2 : 2 5 10 1984, you are hereby committed to the custody of the Bureau of  
11 Prisons for a term of 48 months as to Count 1S, followed by 120  
12 months as to all of the remaining counts, to run concurrently  
13 with each other and to run consecutive with Count 1S, for a  
14 total sentence of 168 months in prison.

0 2 : 2 5 15 The defendant's motion for judicial  
16 recommendation, which is Docket Entry 1331, is granted; and the  
17 judgment will reflect the recommendation of the Court that the  
18 defendant be designated by the Bureau of Prisons to a federal  
19 correction facility in either Pensacola, Florida, or  
0 2 : 2 6 20 Montgomery, Alabama, and that should the defendant otherwise  
21 qualify for participation in the Bureau of Prisons residential  
22 drug abuse program that the defendant be placed in such  
23 program.

24 Upon release from imprisonment, the defendant  
0 2 : 2 6 25 shall be placed on a term of supervised release for three years

02:26 1 as to each count, to run concurrently. All of the terms of  
2 supervised release in the original judgment will remain in  
3 effect.

4 In addition, I would like to propose an  
02:26 5 additional term. The letters indicate that Mr. Skilling has a  
6 real talent in helping people find work, even while they're in  
7 prison. So the Court would like to recommend, as an additional  
8 condition of supervision, that Mr. Skilling be required to  
9 perform 300 hours of community service related to helping  
02:27 10 people find employment, during the first year of supervised  
11 release under the supervision of the probation officer. I say  
12 "would like to" because I will not impose it if you think it  
13 violates the terms of the sentencing agreement.

14 MR. PETROCELLI: Mr. Skilling?

02:27 15 THE DEFENDANT: I'm perfectly happy with that, your  
16 Honor.

17 THE COURT: All right. I take it you think that  
18 special condition is consistent with the sentencing agreement.  
19 Is that correct?

02:27 20 THE DEFENDANT: Yes, I do. Thank you.

21 THE COURT: All right. Then, it will be imposed.  
22 Also --

23 MR. PETROCELLI: May I ask for one minor modification?  
24 That you add Leavenworth, Kansas, or Yankton, Iowa?

02:27 25 THE COURT: I've already got this typed out.

0 2 : 2 7 1 MR. PETROCELLI: I know. It was -- after that  
2 compliment you gave us, I dropped the ball. But there are two  
3 other -- we want to give them more choices.

4 THE COURT: Okay. Do you have that written down?

0 2 : 2 8 5 MR. PETROCELLI: Yes.

6 And I also don't know my geography. Mr. Skilling  
7 has told me it's Yankton, South Dakota; Leavenworth, Kansas.

8 THE COURT: Isn't it cold up there?

9 THE DEFENDANT: It is, yes.

0 2 : 2 8 10 THE COURT: I thought you were finally glad to get out  
11 of Minnesota.

12 All right. I'll add Yankton, South Carolina --  
13 Yankton, South Dakota, and Leavenworth, Kansas.

14 THE DEFENDANT: Yes, sir.

0 2 : 2 8 15 MR. PETROCELLI: Thank you. Sorry about that.

16 THE COURT: May I proceed?

17 MR. PETROCELLI: Yes, your Honor.

18 THE COURT: Pursuant to the Stipulated Forfeiture and  
19 Restitution Settlement Agreement and the Court's October 23rd,  
0 2 : 2 8 20 2006, Order of Forfeiture, the Court concludes that the  
21 restitution provided in the agreement and order is  
22 proportionate to the defendant's culpability. Restitution is  
23 therefore satisfied through the agreement and order, and their  
24 terms will be incorporated into the judgment.

0 2 : 2 8 25 The Government has filed a final -- a motion for

0 2 : 2 9 1 a final order of forfeiture; and that motion, which is Docket  
2 Entry 1331, is granted. The order doesn't reflect a particular  
3 amount. The Court's current information is that the forfeited  
4 amount is approximately \$42 million.

0 2 : 2 9 5 MR. PETROCELLI: Yes, 41 million --

6 THE COURT: Wait just a second. Has the Government  
7 agreed with the figure you're getting ready to read?

8 MR. STOKES: We haven't, your Honor. The figure that  
9 Mr. Petrocelli is about to read is the figure at the time we  
0 2 : 2 9 10 filed the motion. The funds are held in interest-bearing  
11 accounts and so that figure will have changed and so we won't  
12 know the final amount until the actual transfer of money takes  
13 place. So, hence, we've requested forfeiture of the amounts in  
14 the accounts without designating a specific amount.

0 2 : 2 9 15 THE COURT: What I would like to do is have the  
16 judgment reflect approximately \$42 million. I think the Rules  
17 of Criminal Procedure allow forfeiture provisions to be added  
18 several months after the judgment. So you can provide the  
19 actual amount of forfeiture once you've agreed upon it, and  
0 2 : 3 0 20 we'll incorporate that by amendment in the judgment.

21 MR. PETROCELLI: Thank you. That's fine.

22 THE COURT: All right. It is further ordered that the  
23 defendant pay a special assessment to the United States of \$100  
24 per count of conviction, for a total special assessment of  
0 2 : 3 0 25 \$1,900.

0 2 : 3 0 1 Mr. Skilling, pursuant to the sentencing  
2 agreement, you have no right to appeal your conviction or  
3 sentence. Do you understand that?

4 THE DEFENDANT: I understand that, your Honor.

0 2 : 3 0 5 THE COURT: Does either counsel wish to say anything  
6 else?

7 MR. PETROCELLI: Yes. The \$1,900 was paid.

8 THE COURT: I know, but the judgment -- the judgment  
9 still needs to recite it.

0 2 : 3 0 10 MR. PETROCELLI: Okay.

11 THE COURT: It has been paid. They won't come after  
12 him twice.

13 MR. PETROCELLI: Okay.

14 THE COURT: I'll ask the probation officer, she's  
0 2 : 3 0 15 standing.

16 THE PROBATION OFFICER: Yes, your Honor. I believe  
17 it's the "second superseding indictment."

18 THE COURT: It is.

19 THE PROBATION OFFICER: I believe you read  
0 2 : 3 1 20 "superseding indictment."

21 THE COURT: I was getting tired. Instead of saying  
22 "second superseding" over and over again, I just figured you  
23 would know.

24 THE PROBATION OFFICER: I will reflect that in the  
0 2 : 3 1 25 judgment.

02:31

1 THE COURT: Thank you.

2 MR. STOKES: Nothing further from the Government.

3 THE COURT: Anything else?

4 MR. PETROCELLI: Nothing further.

02:31

5 THE COURT: Counsel are excused. The defendant is  
6 remanded to the custody of the marshal. Court is adjourned.

7 *(End of requested proceedings)*

8 \* \* \* \* \*

9 COURT REPORTER'S CERTIFICATION

10 I certify that the foregoing is a correct transcript from  
11 the record of proceedings in the above-entitled cause.

12 Date: June 25, 2013

13 /s/ Cheryll K. Barron  
14 Cheryll K. Barron, CSR, CMR, FCRR  
15 Official Court Reporter  
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